

Overview of FY2020 Q3 Financial Results

February 10, 2021

Tokyo Electric Power Company Holdings, Inc.

【 Main points of the FY2020Q3 financial results 】

- **Operating revenue decreased** due to a decreases in electricity sales volume resulting from increased competition for electricity sales and the impact of the Covid-19 pandemic.
- **Ordinary income/loss decreased** due to decreases in operating revenue despite continual efforts on behalf of the entire Group to cut costs.
- **Quarterly net profit decreased** due to a reactionary fall from the extraordinary profit posted last fiscal year.

1. Consolidated Financial Results Overview

(Unit: Billion kWh)

	FY2020 Apr-Dec (A)	FY2019 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Electricity Sales Volume (consolidated)	150.2	164.7	-14.5	91.2

(Unit: Billion Yen)

	FY2020 Apr-Dec (A)	FY2019 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	4,103.9	4,637.9	-534.0	88.5
Operating Income/Loss	152.7	247.1	-94.4	61.8
Ordinary Income/Loss	235.5	309.9	-74.3	76.0
Extraordinary Income/Loss	-95.4	161.8	-257.3	-
Net Income Attributable to Owners of the Parent	130.4	434.8	-304.3	30.0

2. Main Points about Core Companies

【TEPCO HD (HD)】

- Ordinary income and loss **decreased** due to a decrease in wholesale power sales to TEPCO Energy Partner, Inc. and a decrease in received dividends from core companies.

【TEPCO Fuel & Power (FP)】

- Ordinary income **increased** due to the advantageous impact for JERA of the time-lag inherent to the fuel cost adjustment system and an improvement of the supply and demand balance.

【TEPCO Power Grid (PG)】

- Ordinary income **increased** as a result of a decrease in depreciation costs despite a decrease in area demand caused by the spreading Covid-19 pandemic.

【TEPCO Energy Partner (EP)】

- Ordinary income **decreased** due to a decrease in electricity sales volume caused by increased competition and the spreading Covid-19 pandemic.

【TEPCO Renewable Power (RP)】

- Ordinary income **increased** due to an increase in wholesale power sales to TEPCO Energy Partner, Inc.

3. Core Company Overview

(Unit: Billion Yen)

	FY2020 Apr-Dec (A)	FY2019 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	4,103.9	4,637.9	-534.0	88.5
TEPCO Holdings	364.7	※ 453.6	-88.8	80.4
TEPCO Fuel & Power	5.8	6.5	-0.6	89.3
TEPCO Power Grid	1,292.4	1,288.2	4.2	100.3
TEPCO Energy Partner	3,614.3	4,212.2	-597.8	85.8
TEPCO Renewable Power	109.9	※ 94.2	15.6	116.6
Adjustments	-1,283.5	※ -1,416.8	133.3	-
Ordinary Income/Loss	235.5	309.9	-74.3	76.0
TEPCO Holdings	7.0	※ 121.1	-114.1	5.8
TEPCO Fuel & Power	83.4	62.3	21.0	133.8
TEPCO Power Grid	183.6	175.3	8.2	104.7
TEPCO Energy Partner	7.9	54.6	-46.6	14.6
TEPCO Renewable Power	44.1	※ 27.1	16.9	162.4
Adjustments	-90.6	※ -130.7	40.1	-

※ To make a comparison with this quarter the figures for April through December of the previous year for HD and RP have been rearranged

4. Consolidated Extraordinary Income/Loss

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(Unit: Billion Yen)

	FY2020 Apr-Dec (A)	FY2019 Apr-Dec (B)	Comparison (A)-(B)
Extraordinary Income	-	※2 367.2	-367.2
Extraordinary Loss	※1 95.4	※3 205.3	-109.8
Expenses for Nuclear Damage Compensation	95.4	81.9	13.5
Other	-	123.4	-123.4
Extraordinary Income/Loss	-95.4	161.8	-257.3

*1 Increase in estimates of compensation needed to cover reputation damage and damage incurred as a result of shipping restrictions for expenses for nuclear damage compensation.

*2 Variable profit from owned shares, disaster loss allowance reimbursement, grants from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation

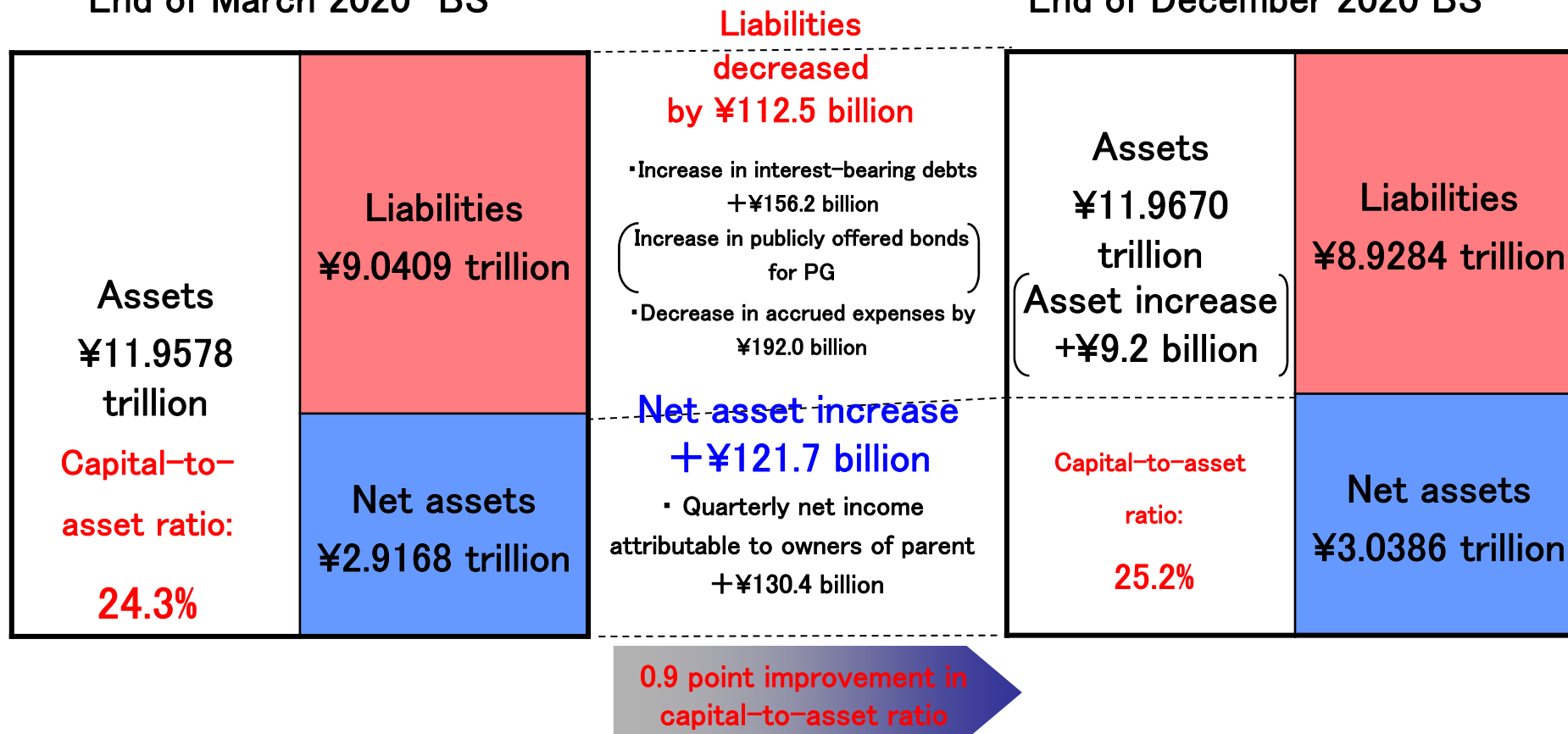
*3 Fukushima Daini decommissioning loss, expenses for nuclear damage compensation, special disaster loss, accidental asset loss

5. Consolidated Finances

- Outstanding liabilities decreased by ¥112.5 billion due to a decrease in accrued expenses despite an increase in interest-bearing debts.
- Net assets increased by ¥121.7 billion as a result of posting net quarterly income attributable to owners of parent.
- Capital-to-asset ratio improved 0.9 points.

End of March 2020 BS

End of December 2020 BS



<Reference> Income and Expenditure Statement

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Area demand

(Unit: Billion kWh)

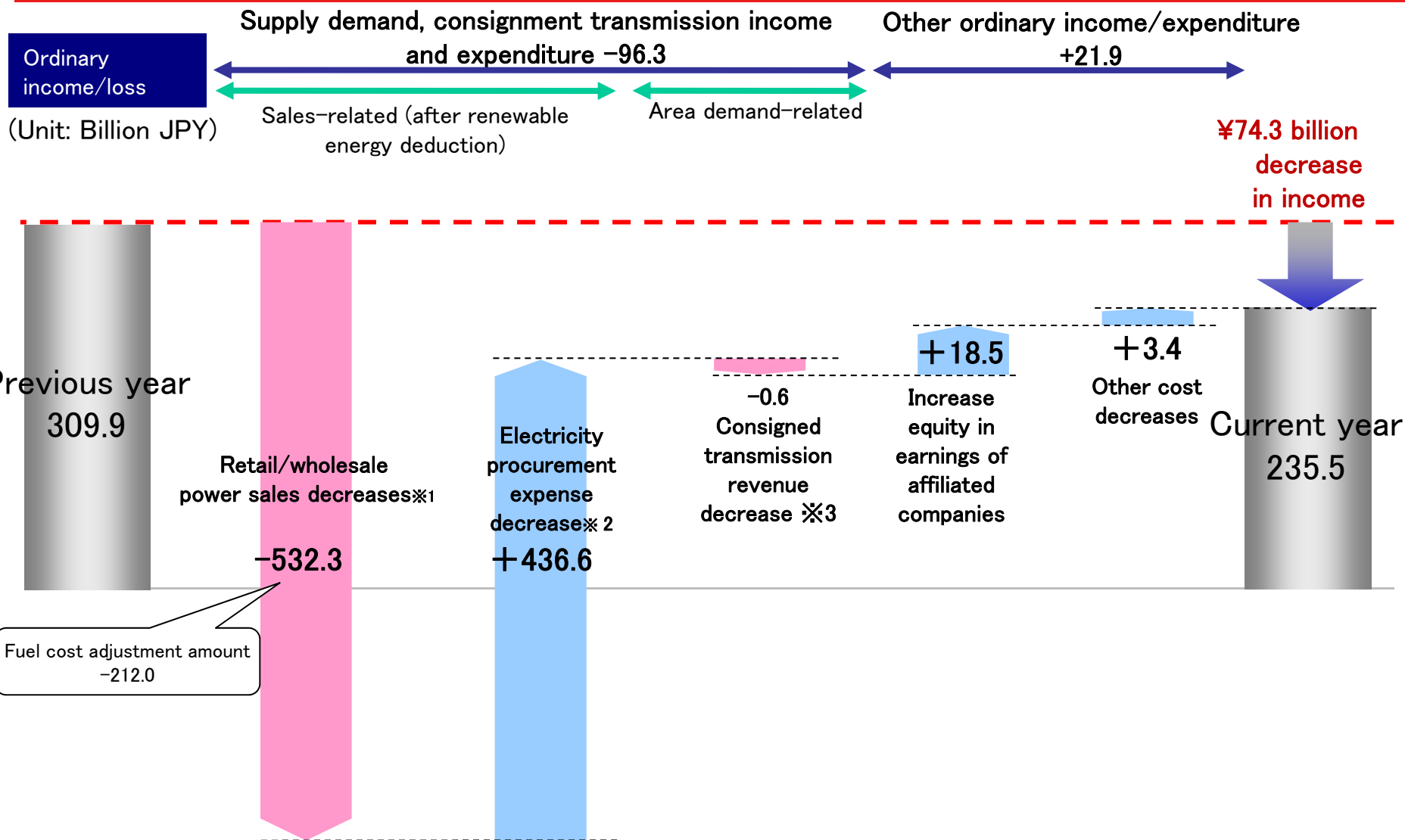
	FY2020 Apr-Dec	FY2019 Apr-Dec	Comparison	
			+/-	Ratio (%)
Area demand	193.6	198.6	-5.0	97.5

Exchange/CIF

	FY2020 Apr-Dec	FY2019 Apr-Dec	+/-
Exchange rate (Interbank)	106.1 JPY/USD	108.7 JPY/USD	-2.6 JPY/USD
Crude oil price (Japan CIF)	39.0 USD/Barrel	67.8 USD/Barrel	-28.8 USD/Barrel

<Reference> Consolidated YoY Performance Comparison ①

~Increases/Decreases~



※1 Retail/wholesale power sales include the impact of indirect auctions and the impact of consigned transmission expenses (excluding imbalances) have been deducted.

※2 Electricity procurement expenses include the impact of indirect auctions.

※3 Consigned transmission income excludes the impact of imbalance income/expenditure but includes transactions within the Group.



<Reference> Consolidated YoY Performance Comparison ②

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~Figures~

(Unit: Billion JPY)

	FY2020 Apr-Dec	FY2019 Apr-Dec	+/-
Ordinary Income	235.5	309.9	-74.3
Supply demand, consigned transmission income and expenditure	1,320.8	1,417.2	-96.3
(Δ) Retail/wholesale power sales	1,970.3	2,502.6	-532.3
(Δ) Electricity procurement expense	-1,675.4	-2,112.0	+436.6
(Δ) Consigned transmission income ※	1,026.0	1,026.6	-0.6
Other ordinary income/expenditure	-1,085.2	-1,107.2	+21.9
(Δ) Increase in equity in earnings of affiliated companies	118.0	99.5	+18.5
(Δ) Depreciation costs	-297.8	-305.4	+7.6
(Δ) Facility costs	-180.8	-173.9	-6.9
(Δ) Other	-724.6	-727.4	+2.6

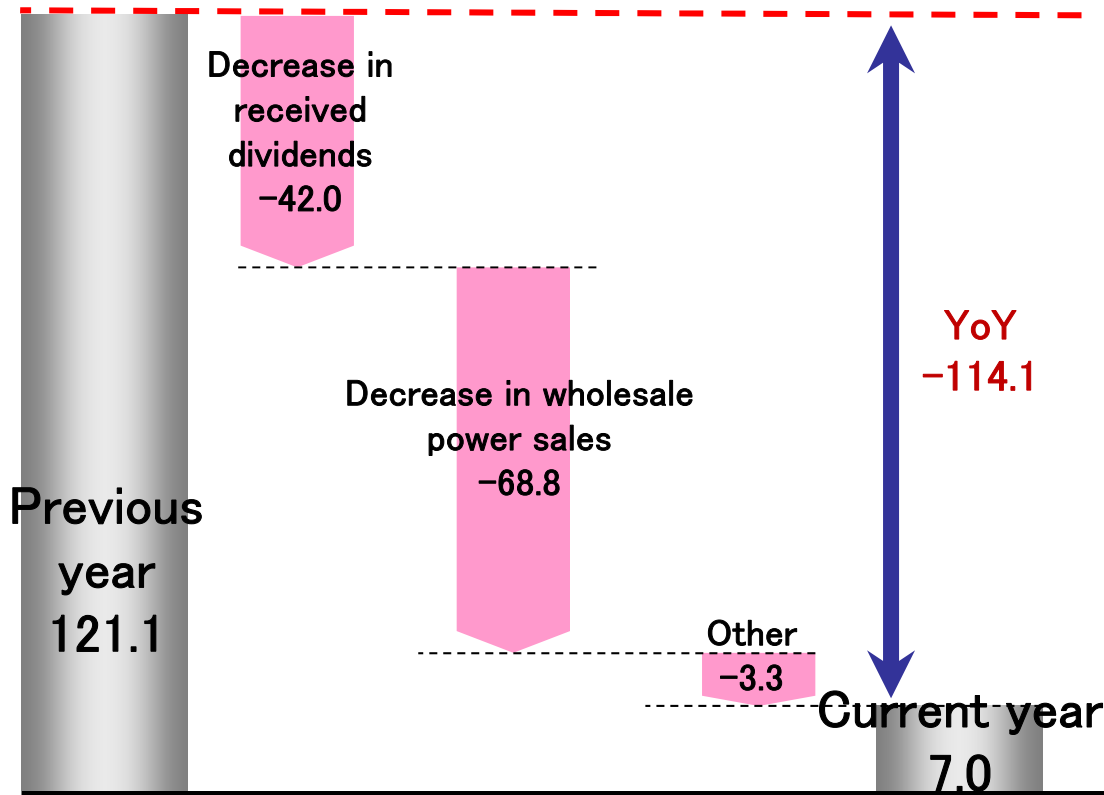
※ Consigned transmission income excludes the impact of imbalance income/expenditure but includes transactions within the Group.

TEPCO

<Reference> HD YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Income includes dividend income, decommissioning charge income, management support fees, and nuclear wholesale power sales, etc.

Ordinary income/loss

(Unit: Billion JPY)

	FY2019	FY2020	+/-
Apr-Jun	※ 148.2	79.5	-68.7
Apr-Sep	※ 144.2	63.3	-80.9
Apr-Dec	※ 121.1	7.0	-114.1
Apr-Mar	152.9		

※ Numbers for April-June, April-September and April-December 2019 have been rearranged for TEPCO HD and RP to provide a comparison with the current year.

<Reference> FP YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Primary income is equity in earnings of affiliated companies, such as JERA's supply/demand balance.

Impact of time lag (JERA share impact)

(Unit: Billion JPY)

	FY2019	FY2020	+/-
Apr-Dec	+37.0	+66.0	+29.0

Ordinary income/loss

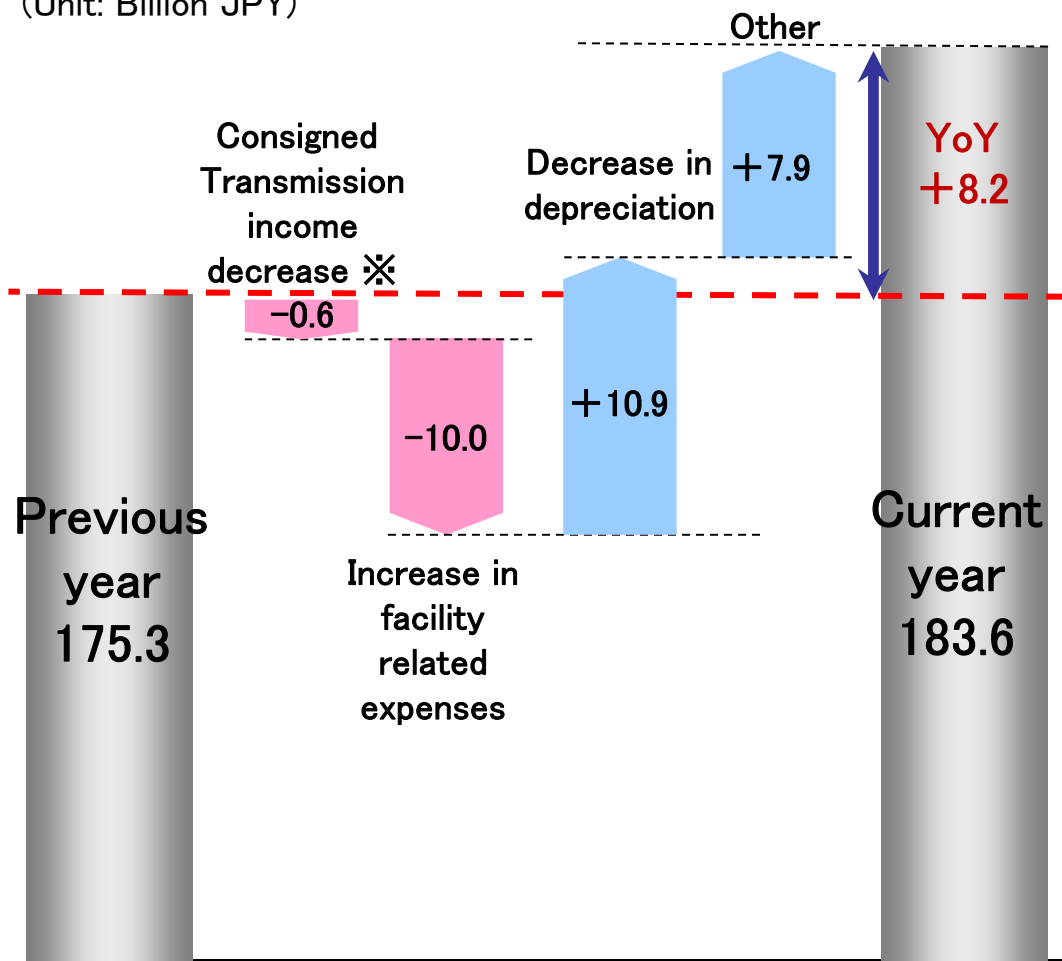
(Unit: Billion JPY)

	FY2019	FY2020	+/-
Apr-Jun	45.8	9.2	-36.5
Apr-Sep	58.4	45.3	-13.1
Apr-Dec	62.3	83.4	+21.0
Apr-Mar	64.7		

<Reference> PG YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Revenue is primarily from consigned transmission income and fluctuates with area demand.
 Costs are primarily maintenance costs and depreciation costs for transmission and distribution equipment.

Area demand

(Unit: Billion kWh)

	FY2019	FY2020	+/-
Apr-Dec	198.6	193.6	-5.0

Ordinary income/loss

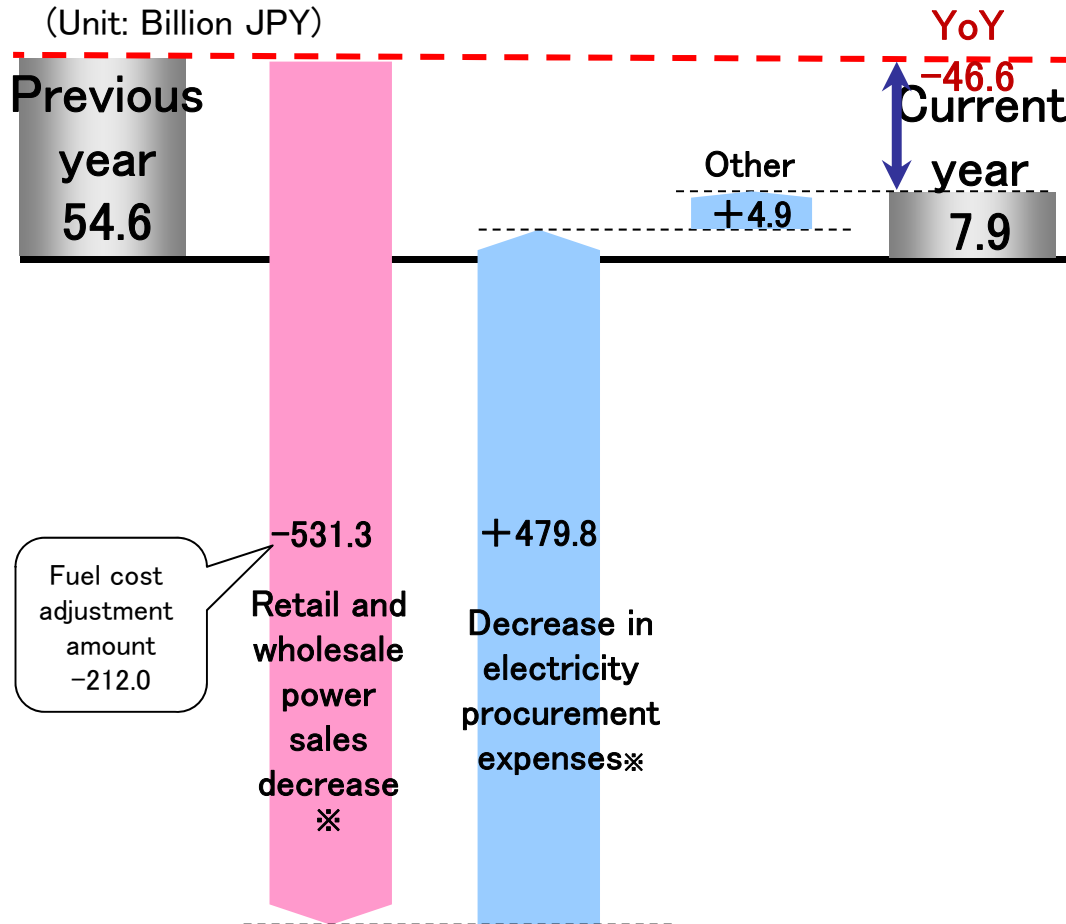
(Unit: Billion JPY)

	FY2019	FY2020	+/-
Apr-Jun	42.6	40.7	-1.8
Apr-Sep	119.9	123.8	+3.9
Apr-Dec	175.3	183.6	+8.2
Apr-Mar	116.6		

※ Consigned transmission income excludes the impact of imbalance income/expenditure.

<Reference> EP YoY comparison

Ordinary income/loss



Income and expenditure structure

Revenue is primarily from electricity charges and fluctuates with power sales volume. Costs are primarily purchased power fees and connected supply consigned transmission costs.

Electricity sales volume

(Unit: Billion kWh)

	FY2019	FY2020	+/-
Apr-Dec	164.7	150.2	-14.5

Gas contracts (EP alone)

End of Mar 2020	End of Dec 2020
Approx. 1.13 million	Approx. 1.21 million

Ordinary income/loss

(Unit: Billion JPY)

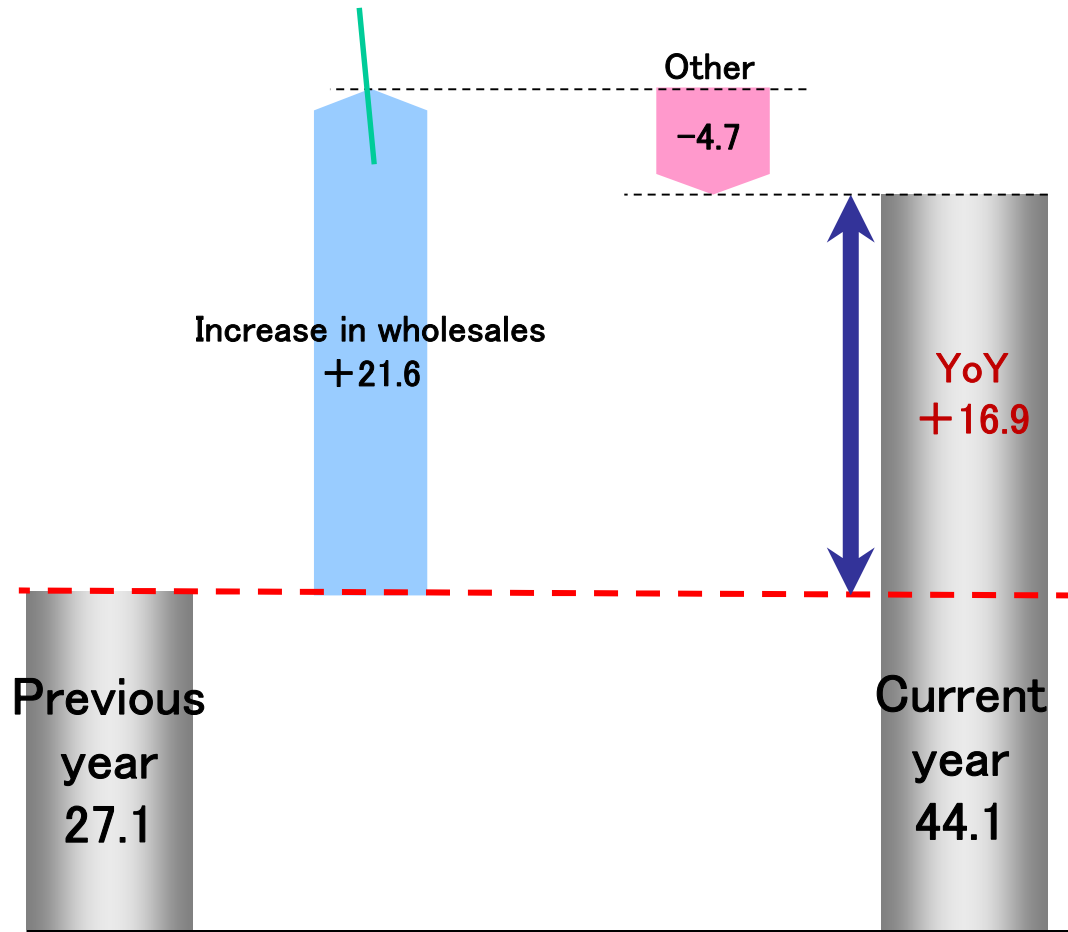
	FY2019	FY2020	+/-
Apr-Jun	-12.0	11.2	+23.2
Apr-Sep	43.4	45.9	+2.4
Apr-Dec	54.6	7.9	-46.6
Apr-Mar	60.0		

※ Retail and wholesale power sales, and electricity procurement expenses both include the impact from indirect auctions. The impact of imbalance on consigned transmission costs has been added to electricity procurement costs after deducting the impact excluding the imbalance from retail and wholesale power sales.

<Reference> RP YoY Comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Most income comes from the wholesale of hydroelectric and new energies. Costs are primarily from depreciation and maintenance.

Flow rate

(Unit: %)

	FY2019	FY2020	+/-
Apr-Dec	104.4	99.6	-4.8

Ordinary income/loss

(Unit: Billion JPY)

	FY2019	FY2020	+/-
Apr-Jun	※ 8.1	17.8	+9.6
Apr-Sep	※ 18.1	36.7	+18.5
Apr-Dec	※ 27.1	44.1	+16.9
Apr-Mar	-	-	-

※ Numbers for April-June, April-September and April-December 2019 have been rearranged for TEPCO HD and RP to provide a comparison with the current year.